

Refr to Higdon ①  
Fiscal Note



Mr. Speaker: I am instructed by the Senate to inform the House of Representatives that the Senate has taken up and passed

**SS SCS HCS HBs 517 & 754** \_\_\_\_\_ entitled:

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**AN ACT**

To repeal sections 143.191, 143.801, and 144.020, RSMo, and to enact in lieu thereof three new sections relating to taxation.

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With SA 1, SA 2, SA 3, SA 4, SA 5

In which the concurrence of the House is respectfully requested.

Respectfully,

*Adriane D. Crouse*

Adriane D. Crouse  
Secretary of the Senate

RECEIVED  
MAY 05 2015  
CHIEF CLERK

SENATE AMENDMENT NO. 1Offered by Dixon of 30thAmend SS/SCS/HCS/House Bills Nos. 517 & 754, Page 1, Section A, Line 4,

2 by inserting after all of said line the following:

3 "94.579. 1. The governing body of any home rule city with

4 more than one hundred fifty-one thousand five hundred but fewer

5 than one hundred fifty-one thousand six hundred inhabitants is

6 hereby authorized to impose, by order or ordinance, a sales tax

7 on all retail sales made within the city which are subject to

8 sales tax under chapter 144. The tax authorized in this section

9 shall not exceed one percent, and shall be imposed solely for the

10 purpose of providing revenues for the operation of public safety

11 departments, including police and fire departments, and for

12 pension programs, and health care for employees and pensioners of

13 the public safety departments. The tax authorized in this

14 section shall be in addition to all other sales taxes imposed by

15 law, and shall be stated separately from all other charges and

16 taxes. The order or ordinance shall not become effective unless

17 the governing body of the city submits to the voters residing

18 within the city at a state general, primary, or special election

19 a proposal to authorize the governing body of the city to impose

20 a tax under this section. If the tax authorized in this section

21 is not approved by the voters, then the city shall have an

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1 additional year during which to meet its required contribution  
2 payment beyond the time period described in section 105.683. If  
3 the city meets its required contribution payment in this time,  
4 then, notwithstanding the provisions of section 105.683 to the  
5 contrary, the delinquency shall not constitute a lien on the  
6 funds of the political subdivision, the board of such plan shall  
7 not be authorized to compel payment by application for writ of  
8 mandamus, and the state treasurer and the director of the  
9 department of revenue shall not withhold twenty-five percent of  
0 the certified contribution deficiency from the total moneys due  
1 the political subdivision from the state. The one-year extension  
2 shall only be available to the city on a one-time basis.

3 2. The ballot of submission for the tax authorized in this  
4 section shall be in substantially the following form:

5  
6 Shall ..... (insert the name of the city)  
7 impose a sales tax at a rate of ..... (up to one) percent,  
8 solely for the purpose of providing revenues for the operation of  
9 public safety departments of the city?

0  YES  NO

1 If you are in favor of the question, place an "X" in the box  
2 opposite "YES". If you are opposed to the question, place an "X"  
3 in the box opposite "NO".

4  
5 If a majority of the votes cast on the question by the qualified  
6 voters voting thereon are in favor of the question, then the tax  
7 shall become effective on the first day of the second calendar  
8 quarter immediately following notification to the department of  
9 revenue. If a majority of the votes cast on the question by the

1 qualified voters voting thereon are opposed to the question, then  
2 the tax shall not become effective unless and until the question  
3 is resubmitted under this section to the qualified voters and  
4 such question is approved by a majority of the qualified voters  
5 voting on the question.

6 3. All revenue collected under this section by the director  
7 of the department of revenue on behalf of any city, except for  
8 one percent for the cost of collection which shall be deposited  
9 in the state's general revenue fund, shall be deposited in a  
10 special trust fund, which is hereby created and shall be known as  
11 the "Public Safety Protection Sales Tax Fund", and shall be used  
12 solely for the designated purposes. Moneys in the fund shall not  
13 be deemed to be state funds, and shall not be commingled with any  
14 funds of the state. The director may make refunds from the  
15 amounts in the trust fund and credited to the city for erroneous  
16 payments and overpayments made, and may redeem dishonored checks  
17 and drafts deposited to the credit of such city. Any funds in  
18 the special trust fund which are not needed for current  
19 expenditures shall be invested in the same manner as other funds  
20 are invested. Any interest and moneys earned on such investments  
21 shall be credited to the fund. The director shall keep accurate  
22 records of the amounts in the fund, and such records shall be  
23 open to the inspection of the officers of such city and to the  
24 public. Not later than the tenth day of each month, the director  
25 shall distribute all moneys deposited in the fund during the  
26 preceding month to the city. Such funds shall be deposited with  
27 the treasurer of the city, and all expenditures of moneys from  
28 the fund shall be by an appropriation ordinance enacted by the  
29 governing body of the city.

1           4. On or after the effective date of the tax, the director  
2 of revenue shall be responsible for the administration,  
3 collection, enforcement, and operation of the tax, and sections  
4 32.085 and 32.087 shall apply. In order to permit sellers  
5 required to collect and report the sales tax to collect the  
6 amount required to be reported and remitted, but not to change  
7 the requirements of reporting or remitting the tax, or to serve  
8 as a levy of the tax, and in order to avoid fractions of pennies,  
9 the governing body of the city may authorize the use of a bracket  
0 system similar to that authorized in section 144.285, and  
1 notwithstanding the provisions of that section, this new bracket  
2 system shall be used where this tax is imposed and shall apply to  
3 all taxable transactions. Beginning with the effective date of  
4 the tax, every retailer in the city shall add the sales tax to  
5 the sale price, and this tax shall be a debt of the purchaser to  
6 the retailer until paid, and shall be recoverable at law in the  
7 same manner as the purchase price. For purposes of this section,  
8 all retail sales shall be deemed to be consummated at the place  
9 of business of the retailer.

10           5. All applicable provisions in sections 144.010 to 144.525  
11 governing the state sales tax, and section 32.057, the uniform  
12 confidentiality provision, shall apply to the collection of the  
13 tax, and all exemptions granted to agencies of government,  
14 organizations, and persons under sections 144.010 to 144.525 are  
15 hereby made applicable to the imposition and collection of the  
16 tax. The same sales tax permit, exemption certificate, and  
17 retail certificate required by sections 144.010 to 144.525 for  
18 the administration and collection of the state sales tax shall  
19 satisfy the requirements of this section, and no additional

1 permit or exemption certificate or retail certificate shall be  
2 required; except that, the director of revenue may prescribe a  
3 form of exemption certificate for an exemption from the tax. All  
4 discounts allowed the retailer under the state sales tax for the  
5 collection of and for payment of taxes are hereby allowed and  
6 made applicable to the tax. The penalties for violations  
7 provided in section 32.057 and sections 144.010 to 144.525 are  
8 hereby made applicable to violations of this section. If any  
9 person is delinquent in the payment of the amount required to be  
10 paid under this section, or in the event a determination has been  
11 made against the person for the tax and penalties under this  
12 section, the limitation for bringing suit for the collection of  
13 the delinquent tax and penalties shall be the same as that  
14 provided in sections 144.010 to 144.525.

15 6. The governing body of any city that has adopted the  
16 sales tax authorized in this section may submit the question of  
17 repeal of the tax to the voters on any date available for  
18 elections for the city. The ballot of submission shall be in  
19 substantially the following form:  
20

21 Shall ..... (insert the  
22 name of the city) repeal the sales tax imposed at a rate of  
23 ..... (up to one) percent for the purpose of providing  
24 revenues for the operation of public safety departments of the  
25 city?  
26

27  YES  NO

28 If you are in favor of the question, place an "X" in the box  
29 opposite "YES". If you are opposed to the question, place an "X"

1 in the box opposite "NO".

2  
3 If a majority of the votes cast on the question by the qualified  
4 voters voting thereon are in favor of repeal, that repeal shall  
5 become effective on December thirty-first of the calendar year in  
6 which such repeal was approved.

7  
8 If a majority of the votes cast on the question by the qualified  
9 voters voting thereon are opposed to the repeal, then the sales  
0 tax authorized in this section shall remain effective until the  
1 question is resubmitted under this section to the qualified  
2 voters and the repeal is approved by a majority of the qualified  
3 voters voting on the question.

4 7. The governing body of any city that has adopted the  
5 sales tax authorized in this section shall submit the question of  
6 [repeal] continuation of the tax to the voters every five years  
7 from the date of its inception on a date available for elections  
8 for the city. The ballot of submission shall be in substantially  
9 the following form:

0  
1 Shall ..... (insert the  
2 name of the city) [repeal the] continue collecting a sales tax  
3 imposed at a rate of ..... (up to one) percent for the  
4 purpose of providing revenues for the operation of public safety  
5 departments of the city?

6  
7  YES  NO

8 If you are in favor of the question, place an "X" in the box  
9 opposite "YES". If you are opposed to the question, place an "X"

1 in the box opposite "NO".

2  
3 If a majority of the votes cast on the question by the qualified  
4 voters voting thereon are [in favor of repeal, that] opposed to  
5 continuation, repeal shall become effective on December  
6 thirty-first of the calendar year in which such [repeal was]  
7 continuation was failed to be approved. If a majority of the  
8 votes cast on the question by the qualified voters voting thereon  
9 are [opposed to the repeal] in favor of continuation, then the  
10 sales tax authorized in this section shall remain effective until  
11 the question is resubmitted under this section to the qualified  
12 voters and [the repeal is] continuation fails to be approved by a  
13 majority of the qualified voters voting on the question.

14 8. Whenever the governing body of any city that has adopted  
15 the sales tax authorized in this section receives a petition,  
16 signed by a number of registered voters of the city equal to at  
17 least two percent of the number of registered voters of the city  
18 voting in the last gubernatorial election, calling for an  
19 election to repeal the sales tax imposed under this section, the  
20 governing body shall submit to the voters of the city a proposal  
21 to repeal the tax. If a majority of the votes cast on the  
22 question by the qualified voters voting thereon are in favor of  
23 the repeal, the repeal shall become effective on December  
24 thirty-first of the calendar year in which such repeal was  
25 approved. If a majority of the votes cast on the question by the  
26 qualified voters voting thereon are opposed to the repeal, then  
27 the sales tax authorized in this section shall remain effective  
28 until the question is resubmitted under this section to the  
29 qualified voters and the repeal is approved by a majority of the

1 qualified voters voting on the question.

2 9. If the tax is repealed or terminated by any means, all  
3 funds remaining in the special trust fund shall continue to be  
4 used solely for the designated purposes, and the city shall  
5 notify the director of the department of revenue of the action at  
6 least ninety days before the effective date of the repeal and the  
7 director may order retention in the trust fund, for a period of  
8 one year, of two percent of the amount collected after receipt of  
9 such notice to cover possible refunds or overpayment of the tax  
0 and to redeem dishonored checks and drafts deposited to the  
1 credit of such accounts. After one year has elapsed after the  
2 effective date of abolition of the tax in such city, the director  
3 shall remit the balance in the account to the city and close the  
4 account of that city. The director shall notify each city of  
5 each instance of any amount refunded or any check redeemed from  
6 receipts due the city."; and

7 Further amend the title and enacting clause accordingly.

Riddle

1366S05.02S

SENATE AMENDMENT NO. 2

Offered by Riddle of 10<sup>th</sup>

Amend SS/SCS/HCS/House Bills Nos. 517 & 754, Page 1, Section A, Line 4

2 of said page, by inserting after all of said line the following:

3 "32.069. 1. Notwithstanding any other provision of law to  
4 the contrary, interest shall be allowed and paid on any refund or  
5 overpayment at the rate determined by section 32.068 only if the  
6 overpayment is not refunded within one hundred twenty days[, or  
7 within ninety days in the case of taxes imposed by sections  
8 143.011 and 143.041,] from the latest of the following dates:

9 (1) The last day prescribed for filing a tax return or  
10 refund claim, without regard to any extension of time granted;

11 (2) The date the return, payment, or claim is filed; or

12 (3) The date the taxpayer files for a credit or refund and  
13 provides accurate and complete documentation to support such  
14 claim.

15 2. Notwithstanding any other provision of law to the  
16 contrary, interest shall be allowed and paid on any refund or  
17 overpayment at the rate determined by section 32.068 only if the  
18 overpayment in the case of taxes imposed by sections 143.011 and  
19 143.041 is not refunded within forty-five days from the date the  
20 return or claim is filed.

21 136.110. 1. The director of revenue shall promptly record

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Adopted "

1 all sums of money collected or received by the director and shall  
2 immediately thereafter deposit the same with the state treasurer,  
3 excluding all funds received and disbursed by the state on behalf  
4 of counties and cities, towns and villages. The state treasurer,  
5 upon receipt of any moneys from the director of revenue, shall  
6 give his or her receipt therefor, executing the same in  
7 triplicate, and shall deliver one copy of such receipt to the  
8 director of revenue, one copy to the commissioner of  
9 administration, and shall retain the third copy thereof in the  
10 files of the state treasurer. The books of the director of  
11 revenue shall be audited by the state auditor at such times as  
12 may be required by law, and at such other times as may be  
13 directed by the governor.

14 2. For the purposes of this section, the term "promptly"  
15 shall mean within two business days."; and

16 Further amend said bill, page 8, section 143.801, line 16 of  
17 said page, by inserting after all of said line the following:

18 "143.811. 1. Under regulations prescribed by the director  
19 of revenue, interest shall be allowed and paid at the rate  
20 determined by section 32.065 on any overpayment in respect of the  
21 tax imposed by sections 143.011 to 143.996; except that, where  
22 the overpayment resulted from the filing of an amendment of the  
23 tax by the taxpayer after the last day prescribed for the filing  
24 of the return, interest shall be allowed and paid at the rate of  
25 six percent per annum. With respect to the part of an  
26 overpayment attributable to a deposit made pursuant to subsection  
27 2 of section 143.631, interest shall be paid thereon at the rate  
28 in section 32.065 from the date of the deposit to the date of  
29 refund. No interest shall be allowed or paid if the amount

1       thereof is less than one dollar.

2             2. For purposes of this section:

3             (1) Any return filed before the last day prescribed for the  
4       filing thereof shall be considered as filed on such last day  
5       determined without regard to any extension of time granted the  
6       taxpayer;

7             (2) Any tax paid by the taxpayer before the last day  
8       prescribed for its payment, any income tax withheld from the  
9       taxpayer during any calendar year, and any amount paid by the  
10      taxpayer as estimated income tax for a taxable year shall be  
11      deemed to have been paid by him on the fifteenth day of the  
12      fourth month following the close of his taxable year to which  
13      such amount constitutes a credit or payment.

14            3. For purposes of this section with respect to any  
15      withholding tax:

16            (1) If a return for any period ending with or within a  
17      calendar year is filed before April fifteenth of the succeeding  
18      calendar year, such return shall be considered filed April  
19      fifteenth of such succeeding calendar year; and

20            (2) If a tax with respect to remuneration paid during any  
21      period ending with or within a calendar year is paid before April  
22      fifteenth of the succeeding calendar year, such tax shall be  
23      considered paid on April fifteenth of such succeeding calendar  
24      year.

25            4. If any overpayment of tax imposed by sections 143.061  
26      and 143.071 is refunded within four months after the last date  
27      prescribed (or permitted by extension of time) for filing the  
28      return of such tax or within four months after the return was  
29      filed, whichever is later, no interest shall be allowed under

1 this section on overpayment.

2 5. If any overpayment of tax imposed by sections 143.011  
3 and 143.041 is refunded within [ninety] forty-five days after the  
4 [last date prescribed or permitted by extension of time for  
5 filing the return of such tax] date the return or claim is filed,  
6 no interest shall be allowed under this section on overpayment.

7 6. Any overpayment resulting from a carryback, including a  
8 net operating loss and a corporate capital loss, shall be deemed  
9 not to have been made prior to the close of the taxable year in  
10 which the loss arises.

11 7. Any overpayment resulting from a carryback of a tax  
12 credit, including but not limited to the tax credits provided in  
13 sections 253.557 and 348.432, shall be deemed not to have been  
14 made prior to the close of the taxable year in which the tax  
15 credit was authorized."; and

16 Further amend the title and enacting clause accordingly.

SENATE AMENDMENT NO. 3Offered by Schatz of 26thAmend SS/SCS/HCS/House Bills Nos. 517 & 754, Page 11, Section 144.020, Line 25,

2 by inserting immediately after said line the following:

3 "144.030. 1. There is hereby specifically exempted from  
 4 the provisions of sections 144.010 to 144.525 and from the  
 5 computation of the tax levied, assessed or payable pursuant to  
 6 sections 144.010 to 144.525 such retail sales as may be made in  
 7 commerce between this state and any other state of the United  
 8 States, or between this state and any foreign country, and any  
 9 retail sale which the state of Missouri is prohibited from taxing  
 10 pursuant to the Constitution or laws of the United States of  
 11 America, and such retail sales of tangible personal property  
 12 which the general assembly of the state of Missouri is prohibited  
 13 from taxing or further taxing by the constitution of this state.

14 2. There are also specifically exempted from the provisions  
 15 of the local sales tax law as defined in section 32.085, section  
 16 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761  
 17 and from the computation of the tax levied, assessed or payable  
 18 pursuant to the local sales tax law as defined in section 32.085,  
 19 section 238.235, and sections 144.010 to 144.525 and 144.600 to  
 20 144.745:

21 (1) Motor fuel or special fuel subject to an excise tax of

*Offered 4/29/15*  
*Adopted "*

1 this state, unless all or part of such excise tax is refunded  
2 pursuant to section 142.824; or upon the sale at retail of fuel  
3 to be consumed in manufacturing or creating gas, power, steam,  
4 electrical current or in furnishing water to be sold ultimately  
5 at retail; or feed for livestock or poultry; or grain to be  
6 converted into foodstuffs which are to be sold ultimately in  
7 processed form at retail; or seed, limestone or fertilizer which  
8 is to be used for seeding, liming or fertilizing crops which when  
9 harvested will be sold at retail or will be fed to livestock or  
0 poultry to be sold ultimately in processed form at retail;  
1 economic poisons registered pursuant to the provisions of the  
2 Missouri pesticide registration law (sections 281.220 to 281.310)  
3 which are to be used in connection with the growth or production  
4 of crops, fruit trees or orchards applied before, during, or  
5 after planting, the crop of which when harvested will be sold at  
6 retail or will be converted into foodstuffs which are to be sold  
7 ultimately in processed form at retail;

8 (2) Materials, manufactured goods, machinery and parts  
9 which when used in manufacturing, processing, compounding,  
0 mining, producing or fabricating become a component part or  
1 ingredient of the new personal property resulting from such  
2 manufacturing, processing, compounding, mining, producing or  
3 fabricating and which new personal property is intended to be  
4 sold ultimately for final use or consumption; and materials,  
5 including without limitation, gases and manufactured goods,  
6 including without limitation slagging materials and firebrick,  
7 which are ultimately consumed in the manufacturing process by  
8 blending, reacting or interacting with or by becoming, in whole  
9 or in part, component parts or ingredients of steel products

1 intended to be sold ultimately for final use or consumption;

2 (3) Materials, replacement parts and equipment purchased  
3 for use directly upon, and for the repair and maintenance or  
4 manufacture of, motor vehicles, watercraft, railroad rolling  
5 stock or aircraft engaged as common carriers of persons or  
6 property;

7 (4) Motor vehicles registered in excess of fifty-four  
8 thousand pounds, and the trailers pulled by such motor vehicles,  
9 that are actually used in the normal course of business to haul  
10 property on the public highways of the state, and that are  
11 capable of hauling loads commensurate with the motor vehicle's  
12 registered weight; and the materials, replacement parts, and  
13 equipment purchased for use directly upon, and for the repair and  
14 maintenance or manufacture of such vehicles. For purposes of  
15 this subdivision, "motor vehicle" and "public highway" shall have  
16 the meaning as ascribed in section 390.020;

17 (5) Replacement machinery, equipment, and parts and the  
18 materials and supplies solely required for the installation or  
19 construction of such replacement machinery, equipment, and parts,  
20 used directly in manufacturing, mining, fabricating or producing  
21 a product which is intended to be sold ultimately for final use  
22 or consumption; and machinery and equipment, and the materials  
23 and supplies required solely for the operation, installation or  
24 construction of such machinery and equipment, purchased and used  
25 to establish new, or to replace or expand existing, material  
26 recovery processing plants in this state. For the purposes of  
27 this subdivision, a "material recovery processing plant" means a  
28 facility that has as its primary purpose the recovery of  
29 materials into a usable product or a different form which is used

1 in producing a new product and shall include a facility or  
2 equipment which are used exclusively for the collection of  
3 recovered materials for delivery to a material recovery  
4 processing plant but shall not include motor vehicles used on  
5 highways. For purposes of this section, the terms motor vehicle  
6 and highway shall have the same meaning pursuant to section  
7 301.010. Material recovery is not the reuse of materials within  
8 a manufacturing process or the use of a product previously  
9 recovered. The material recovery processing plant shall qualify  
0 under the provisions of this section regardless of ownership of  
1 the material being recovered;

2 (6) Machinery and equipment, and parts and the materials  
3 and supplies solely required for the installation or construction  
4 of such machinery and equipment, purchased and used to establish  
5 new or to expand existing manufacturing, mining or fabricating  
6 plants in the state if such machinery and equipment is used  
7 directly in manufacturing, mining or fabricating a product which  
8 is intended to be sold ultimately for final use or consumption;

9 (7) Tangible personal property which is used exclusively in  
0 the manufacturing, processing, modification or assembling of  
1 products sold to the United States government or to any agency of  
2 the United States government;

3 (8) Animals or poultry used for breeding or feeding  
4 purposes, or captive wildlife;

5 (9) Newsprint, ink, computers, photosensitive paper and  
6 film, toner, printing plates and other machinery, equipment,  
7 replacement parts and supplies used in producing newspapers  
8 published for dissemination of news to the general public;

9 (10) The rentals of films, records or any type of sound or

1 picture transcriptions for public commercial display;

2 (11) Pumping machinery and equipment used to propel  
3 products delivered by pipelines engaged as common carriers;

4 (12) Railroad rolling stock for use in transporting persons  
5 or property in interstate commerce and motor vehicles licensed  
6 for a gross weight of twenty-four thousand pounds or more or  
7 trailers used by common carriers, as defined in section 390.020,  
8 in the transportation of persons or property;

9 (13) Electrical energy used in the actual primary  
10 manufacture, processing, compounding, mining or producing of a  
11 product, or electrical energy used in the actual secondary  
12 processing or fabricating of the product, or a material recovery  
13 processing plant as defined in subdivision (5) of this  
14 subsection, in facilities owned or leased by the taxpayer, if the  
15 total cost of electrical energy so used exceeds ten percent of  
16 the total cost of production, either primary or secondary,  
17 exclusive of the cost of electrical energy so used or if the raw  
18 materials used in such processing contain at least twenty-five  
19 percent recovered materials as defined in section 260.200. There  
20 shall be a rebuttable presumption that the raw materials used in  
21 the primary manufacture of automobiles contain at least  
22 twenty-five percent recovered materials. For purposes of this  
23 subdivision, "processing" means any mode of treatment, act or  
24 series of acts performed upon materials to transform and reduce  
25 them to a different state or thing, including treatment necessary  
26 to maintain or preserve such processing by the producer at the  
27 production facility;

28 (14) Anodes which are used or consumed in manufacturing,  
29 processing, compounding, mining, producing or fabricating and

1 which have a useful life of less than one year;

2 (15) Machinery, equipment, appliances and devices purchased  
3 or leased and used solely for the purpose of preventing, abating  
4 or monitoring air pollution, and materials and supplies solely  
5 required for the installation, construction or reconstruction of  
6 such machinery, equipment, appliances and devices;

7 (16) Machinery, equipment, appliances and devices purchased  
8 or leased and used solely for the purpose of preventing, abating  
9 or monitoring water pollution, and materials and supplies solely  
0 required for the installation, construction or reconstruction of  
1 such machinery, equipment, appliances and devices;

2 (17) Tangible personal property purchased by a rural water  
3 district;

4 (18) All amounts paid or charged for admission or  
5 participation or other fees paid by or other charges to  
6 individuals in or for any place of amusement, entertainment or  
7 recreation, games or athletic events, including museums, fairs,  
8 zoos and planetariums, owned or operated by a municipality or  
9 other political subdivision where all the proceeds derived  
0 therefrom benefit the municipality or other political subdivision  
1 and do not inure to any private person, firm, or corporation,  
2 provided, however, that a municipality or other political  
3 subdivision may enter into revenue-sharing agreements with  
4 private persons, firms, or corporations providing goods or  
5 services, including management services, in or for the place of  
6 amusement, entertainment or recreation, games or athletic events,  
7 and provided further that nothing in this subdivision shall  
8 exempt from tax any amounts retained by any private person, firm,  
9 or corporation under such revenue-sharing agreement;

1 (19) All sales of insulin and prosthetic or orthopedic  
2 devices as defined on January 1, 1980, by the federal Medicare  
3 program pursuant to Title XVIII of the Social Security Act of  
4 1965, including the items specified in Section 1862(a)(12) of  
5 that act, and also specifically including hearing aids and  
6 hearing aid supplies and all sales of drugs which may be legally  
7 dispensed by a licensed pharmacist only upon a lawful  
8 prescription of a practitioner licensed to administer those  
9 items, including samples and materials used to manufacture  
10 samples which may be dispensed by a practitioner authorized to  
11 dispense such samples and all sales or rental of medical oxygen,  
12 home respiratory equipment and accessories, hospital beds and  
13 accessories and ambulatory aids, all sales or rental of manual  
14 and powered wheelchairs, stairway lifts, Braille writers,  
15 electronic Braille equipment and, if purchased or rented by or on  
16 behalf of a person with one or more physical or mental  
17 disabilities to enable them to function more independently, all  
18 sales or rental of scooters, reading machines, electronic print  
19 enlargers and magnifiers, electronic alternative and augmentative  
20 communication devices, and items used solely to modify motor  
21 vehicles to permit the use of such motor vehicles by individuals  
22 with disabilities or sales of over-the-counter or nonprescription  
23 drugs to individuals with disabilities, and drugs required by the  
24 Food and Drug Administration to meet the over-the-counter drug  
25 product labeling requirements in 21 CFR 201.66, or its successor,  
26 as prescribed by a health care practitioner licensed to  
27 prescribe;

28 (20) All sales made by or to religious and charitable  
29 organizations and institutions in their religious, charitable or

1 educational functions and activities and all sales made by or to  
2 all elementary and secondary schools operated at public expense  
3 in their educational functions and activities;

4 (21) All sales of aircraft to common carriers for storage  
5 or for use in interstate commerce and all sales made by or to  
6 not-for-profit civic, social, service or fraternal organizations,  
7 including fraternal organizations which have been declared  
8 tax-exempt organizations pursuant to Section 501(c)(8) or (10) of  
9 the 1986 Internal Revenue Code, as amended, in their civic or  
0 charitable functions and activities and all sales made to  
1 eleemosynary and penal institutions and industries of the state,  
2 and all sales made to any private not-for-profit institution of  
3 higher education not otherwise excluded pursuant to subdivision  
4 (20) of this subsection or any institution of higher education  
5 supported by public funds, and all sales made to a state relief  
6 agency in the exercise of relief functions and activities;

7 (22) All ticket sales made by benevolent, scientific and  
8 educational associations which are formed to foster, encourage,  
9 and promote progress and improvement in the science of  
0 agriculture and in the raising and breeding of animals, and by  
1 nonprofit summer theater organizations if such organizations are  
2 exempt from federal tax pursuant to the provisions of the  
3 Internal Revenue Code and all admission charges and entry fees to  
4 the Missouri state fair or any fair conducted by a county  
5 agricultural and mechanical society organized and operated  
6 pursuant to sections 262.290 to 262.530;

7 (23) All sales made to any private not-for-profit  
8 elementary or secondary school, all sales of feed additives,  
9 medications or vaccines administered to livestock or poultry in

1 the production of food or fiber, all sales of pesticides used in  
2 the production of crops, livestock or poultry for food or fiber,  
3 all sales of bedding used in the production of livestock or  
4 poultry for food or fiber, all sales of propane or natural gas,  
5 electricity or diesel fuel used exclusively for drying  
6 agricultural crops, natural gas used in the primary manufacture  
7 or processing of fuel ethanol as defined in section 142.028,  
8 natural gas, propane, and electricity used by an eligible new  
9 generation cooperative or an eligible new generation processing  
10 entity as defined in section 348.432, and all sales of farm  
11 machinery and equipment, other than airplanes, motor vehicles and  
12 trailers, and any freight charges on any exempt item. As used in  
13 this subdivision, the term "feed additives" means tangible  
14 personal property which, when mixed with feed for livestock or  
15 poultry, is to be used in the feeding of livestock or poultry.  
16 As used in this subdivision, the term "pesticides" includes  
17 adjuvants such as crop oils, surfactants, wetting agents and  
18 other assorted pesticide carriers used to improve or enhance the  
19 effect of a pesticide and the foam used to mark the application  
20 of pesticides and herbicides for the production of crops,  
21 livestock or poultry. As used in this subdivision, the term  
22 "farm machinery and equipment" means new or used farm tractors  
23 and such other new or used farm machinery and equipment and  
24 repair or replacement parts thereon and any accessories for and  
25 upgrades to such farm machinery and equipment, rotary mowers used  
26 exclusively for agricultural purposes, and supplies and  
27 lubricants used exclusively, solely, and directly for producing  
28 crops, raising and feeding livestock, fish, poultry, pheasants,  
29 chukar, quail, or for producing milk for ultimate sale at retail,

1 including field drain tile, and one-half of each purchaser's  
2 purchase of diesel fuel therefor which is:

3 (a) Used exclusively for agricultural purposes;

4 (b) Used on land owned or leased for the purpose of  
5 producing farm products; and

6 (c) Used directly in producing farm products to be sold  
7 ultimately in processed form or otherwise at retail or in  
8 producing farm products to be fed to livestock or poultry to be  
9 sold ultimately in processed form at retail;

0 (24) Except as otherwise provided in section 144.032, all  
1 sales of metered water service, electricity, electrical current,  
2 natural, artificial or propane gas, wood, coal or home heating  
3 oil for domestic use and in any city not within a county, all  
4 sales of metered or unmetered water service for domestic use:

5 (a) "Domestic use" means that portion of metered water  
6 service, electricity, electrical current, natural, artificial or  
7 propane gas, wood, coal or home heating oil, and in any city not  
8 within a county, metered or unmetered water service, which an  
9 individual occupant of a residential premises uses for  
0 nonbusiness, noncommercial or nonindustrial purposes. Utility  
1 service through a single or master meter for residential  
2 apartments or condominiums, including service for common areas  
3 and facilities and vacant units, shall be deemed to be for  
4 domestic use. Each seller shall establish and maintain a system  
5 whereby individual purchases are determined as exempt or  
6 nonexempt;

7 (b) Regulated utility sellers shall determine whether  
8 individual purchases are exempt or nonexempt based upon the  
9 seller's utility service rate classifications as contained in

1 tariffs on file with and approved by the Missouri public service  
2 commission. Sales and purchases made pursuant to the rate  
3 classification "residential" and sales to and purchases made by  
4 or on behalf of the occupants of residential apartments or  
5 condominiums through a single or master meter, including service  
6 for common areas and facilities and vacant units, shall be  
7 considered as sales made for domestic use and such sales shall be  
8 exempt from sales tax. Sellers shall charge sales tax upon the  
9 entire amount of purchases classified as nondomestic use. The  
10 seller's utility service rate classification and the provision of  
11 service thereunder shall be conclusive as to whether or not the  
12 utility must charge sales tax;

13 (c) Each person making domestic use purchases of services  
14 or property and who uses any portion of the services or property  
15 so purchased for a nondomestic use shall, by the fifteenth day of  
16 the fourth month following the year of purchase, and without  
17 assessment, notice or demand, file a return and pay sales tax on  
18 that portion of nondomestic purchases. Each person making  
19 nondomestic purchases of services or property and who uses any  
20 portion of the services or property so purchased for domestic  
21 use, and each person making domestic purchases on behalf of  
22 occupants of residential apartments or condominiums through a  
23 single or master meter, including service for common areas and  
24 facilities and vacant units, under a nonresidential utility  
25 service rate classification may, between the first day of the  
26 first month and the fifteenth day of the fourth month following  
27 the year of purchase, apply for credit or refund to the director  
28 of revenue and the director shall give credit or make refund for  
29 taxes paid on the domestic use portion of the purchase. The

1 person making such purchases on behalf of occupants of  
2 residential apartments or condominiums shall have standing to  
3 apply to the director of revenue for such credit or refund;

4 (25) All sales of handicraft items made by the seller or  
5 the seller's spouse if the seller or the seller's spouse is at  
6 least sixty-five years of age, and if the total gross proceeds  
7 from such sales do not constitute a majority of the annual gross  
8 income of the seller;

9 (26) Excise taxes, collected on sales at retail, imposed by  
0 Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and  
1 4271 of Title 26, United States Code. The director of revenue  
2 shall promulgate rules pursuant to chapter 536 to eliminate all  
3 state and local sales taxes on such excise taxes;

4 (27) Sales of fuel consumed or used in the operation of  
5 ships, barges, or waterborne vessels which are used primarily in  
6 or for the transportation of property or cargo, or the conveyance  
7 of persons for hire, on navigable rivers bordering on or located  
8 in part in this state, if such fuel is delivered by the seller to  
9 the purchaser's barge, ship, or waterborne vessel while it is  
0 afloat upon such river;

1 (28) All sales made to an interstate compact agency created  
2 pursuant to sections 70.370 to 70.441 or sections 238.010 to  
3 238.100 in the exercise of the functions and activities of such  
4 agency as provided pursuant to the compact;

5 (29) Computers, computer software and computer security  
6 systems purchased for use by architectural or engineering firms  
7 headquartered in this state. For the purposes of this  
8 subdivision, "headquartered in this state" means the office for  
9 the administrative management of at least four integrated

1 facilities operated by the taxpayer is located in the state of  
2 Missouri;

3 (30) All livestock sales when either the seller is engaged  
4 in the growing, producing or feeding of such livestock, or the  
5 seller is engaged in the business of buying and selling,  
6 bartering or leasing of such livestock;

7 (31) All sales of barges which are to be used primarily in  
8 the transportation of property or cargo on interstate waterways;

9 (32) Electrical energy or gas, whether natural, artificial  
10 or propane, water, or other utilities which are ultimately  
11 consumed in connection with the manufacturing of cellular glass  
12 products or in any material recovery processing plant as defined  
13 in subdivision (5) of this subsection;

14 (33) Notwithstanding other provisions of law to the  
15 contrary, all sales of pesticides or herbicides used in the  
16 production of crops, aquaculture, livestock or poultry;

17 (34) Tangible personal property and utilities purchased for  
18 use or consumption directly or exclusively in the research and  
19 development of agricultural/biotechnology and plant genomics  
20 products and prescription pharmaceuticals consumed by humans or  
21 animals;

22 (35) All sales of grain bins for storage of grain for  
23 resale;

24 (36) All sales of feed which are developed for and used in  
25 the feeding of pets owned by a commercial breeder when such sales  
26 are made to a commercial breeder, as defined in section 273.325,  
27 and licensed pursuant to sections 273.325 to 273.357;

28 (37) All purchases by a contractor on behalf of an entity  
29 located in another state, provided that the entity is authorized

1 to issue a certificate of exemption for purchases to a contractor  
2 under the provisions of that state's laws. For purposes of this  
3 subdivision, the term "certificate of exemption" shall mean any  
4 document evidencing that the entity is exempt from sales and use  
5 taxes on purchases pursuant to the laws of the state in which the  
6 entity is located. Any contractor making purchases on behalf of  
7 such entity shall maintain a copy of the entity's exemption  
8 certificate as evidence of the exemption. If the exemption  
9 certificate issued by the exempt entity to the contractor is  
0 later determined by the director of revenue to be invalid for any  
1 reason and the contractor has accepted the certificate in good  
2 faith, neither the contractor or the exempt entity shall be  
3 liable for the payment of any taxes, interest and penalty due as  
4 the result of use of the invalid exemption certificate.

5 Materials shall be exempt from all state and local sales and use  
6 taxes when purchased by a contractor for the purpose of  
7 fabricating tangible personal property which is used in  
8 fulfilling a contract for the purpose of constructing, repairing  
9 or remodeling facilities for the following:

0 (a) An exempt entity located in this state, if the entity  
1 is one of those entities able to issue project exemption  
2 certificates in accordance with the provisions of section  
3 144.062; or

4 (b) An exempt entity located outside the state if the  
5 exempt entity is authorized to issue an exemption certificate to  
6 contractors in accordance with the provisions of that state's law  
7 and the applicable provisions of this section;

8 (38) All sales or other transfers of tangible personal  
9 property to a lessor who leases the property under a lease of one

1 year or longer executed or in effect at the time of the sale or  
2 other transfer to an interstate compact agency created pursuant  
3 to sections 70.370 to 70.441 or sections 238.010 to 238.100;

4 (39) Sales of tickets to any collegiate athletic  
5 championship event that is held in a facility owned or operated  
6 by a governmental authority or commission, a quasi-governmental  
7 agency, a state university or college or by the state or any  
8 political subdivision thereof, including a municipality, and that  
9 is played on a neutral site and may reasonably be played at a  
10 site located outside the state of Missouri. For purposes of this  
11 subdivision, "neutral site" means any site that is not located on  
12 the campus of a conference member institution participating in  
13 the event;

14 (40) All purchases by a sports complex authority created  
15 under section 64.920, and all sales of utilities by such  
16 authority at the authority's cost that are consumed in connection  
17 with the operation of a sports complex leased to a professional  
18 sports team;

19 (41) All materials, replacement parts, and equipment  
20 purchased for use directly upon, and for the modification,  
21 replacement, repair, and maintenance of aircraft, aircraft power  
22 plants, and aircraft accessories;

23 (42) Sales of sporting clays, wobble, skeet, and trap  
24 targets to any shooting range or similar places of business for  
25 use in the normal course of business and money received by a  
26 shooting range or similar places of business from patrons and  
27 held by a shooting range or similar place of business for  
28 redistribution to patrons at the conclusion of a shooting event;

29 (43) Any new or used aircraft sold or delivered in this

1 state to a person who is not a resident of this state or a  
2 corporation that is not incorporated in this state, and such  
3 aircraft is not to be based in this state and shall not remain in  
4 this state more than ten business days subsequent to the last to  
5 occur of:

6 (a) The transfer of title to the aircraft to a person who  
7 is not a resident of this state or a corporation that is not  
8 incorporated in this state; or

9 (b) The date of the return to service of the aircraft in  
0 accordance with 14 CFR 91.407 for any maintenance, preventive  
1 maintenance, rebuilding, alterations, repairs, or installations  
2 that are completed contemporaneously with the transfer of title  
3 to the aircraft to a person who is not a resident of this state  
4 or a corporation that is not incorporated in this state.

5 3. Any ruling, agreement, or contract, whether written or  
6 oral, express or implied, between a person and this state's  
7 executive branch, or any other state agency or department,  
8 stating, agreeing, or ruling that such person is not required to  
9 collect sales and use tax in this state despite the presence of a  
0 warehouse, distribution center, or fulfillment center in this  
1 state that is owned or operated by the person or an affiliated  
2 person shall be null and void unless it is specifically approved  
3 by a majority vote of each of the houses of the general assembly.  
4 For purposes of this subsection, an "affiliated person" means any  
5 person that is a member of the same controlled group of  
6 corporations as defined in Section 1563(a) of the Internal  
7 Revenue Code of 1986, as amended, as the vendor or any other  
8 entity that, notwithstanding its form of organization, bears the  
9 same ownership relationship to the vendor as a corporation that

1 is a member of the same controlled group of corporations as  
2 defined in Section 1563(a) of the Internal Revenue Code, as  
3 amended."; and

4 Further amend the title and enacting clause accordingly.  
5

SENATE AMENDMENT NO. 4

Offered by Emery of 31

Amend SS/SCS/HCS/House Bills Nos. 517 & 754, Page 1, Section A, Line 4

of said page, by inserting after all of said line the following:

"143.161. 1. For all taxable years beginning after December 31, 1997, a resident may deduct one thousand two hundred dollars for each dependent for whom such resident is entitled to a dependency exemption deduction for federal income tax purposes.

In the case of a dependent who has attained sixty-five years of age on or before the last day of the taxable year, if such dependent resides in the taxpayer's home or the dependent's own home or if such dependent does not receive Medicaid or state funding while residing in a facility licensed pursuant to chapter 198, the taxpayer may deduct an additional one thousand dollars.

2. [For all taxable years beginning before January 1, 1999, a resident who qualifies as an unmarried head of household or as a surviving spouse for federal income tax purposes may deduct an additional eight hundred dollars.] For all taxable years beginning on or after January 1, 1999, a resident who qualifies as an unmarried head of household or as a surviving spouse for federal income tax purposes may deduct an additional one thousand four hundred dollars.

3. For all taxable years beginning on or after January 1,

Offered 4/29/15  
Adopted "

1 2015, for each birth for which a certificate of birth resulting  
2 in stillbirth has been issued under section 193.165, a taxpayer  
3 may claim the exemption under subsection 1 of this section only  
4 in the taxable year in which the stillbirth occurred, if the  
5 child otherwise would have been a member of the taxpayer's  
6 household."; and

7 Further amend the title and enacting clause accordingly.

SENATE AMENDMENT NO. 5

Offered by Hegeman of 12<sup>th</sup>

Amend SS/SCS/HCS/House Bills Nos. 517 & 754, Page 1, Section A, Line 4,

by inserting after all of said line the following:

"65.620. 1. Whenever any county abolishes township organization the county treasurer and ex officio collector shall immediately settle his accounts as treasurer with the county commission and shall thereafter perform all duties, exercise all powers, have all rights and be subject to all liabilities imposed and conferred upon the county collector of revenue under chapter 52 until the first Monday in March after the general election next following the abolishment of township organization and until a collector of revenue for the county is elected and qualified. The person elected collector at the general election as aforesaid, if that election is not one for collector of revenue under chapter 52, shall serve until the first Monday in March following the election and qualification of a collector of revenue under chapter 52. Upon abolition of township organization a county treasurer shall be appointed to serve until the expiration of the term of such officer pursuant to chapter 54.

2. Upon abolition of township organization, title to all property of all kinds theretofore owned by the several townships

Offered 4/29/15  
Adopted "

1 of the county shall vest in the county and the county shall be  
2 liable for all outstanding obligations and liabilities of the  
3 several townships.

4 3. The terms of office of all township officers shall  
5 expire on the abolition of township organization and the township  
6 trustee of each township shall immediately settle his accounts  
7 with the county clerk and all township officers shall promptly  
8 deliver to the appropriate county officers, as directed by the  
9 county commission, all books, papers, records and property  
10 pertaining to their offices.

11 4. For a period of one calendar year following the  
12 abolition of the townships or until the voters of the county have  
13 approved a tax levy for road and bridge purposes, whichever  
14 occurs first, the county collector shall continue to collect a  
15 property tax on a county-wide basis in an amount equal to the tax  
16 levied by the township that had the lowest total tax rate in the  
17 county immediately prior to the abolishment of the townships.  
18 The continued collection of the tax shall be considered a  
19 continuation of an existing tax and shall not be considered a new  
20 tax levy."; and

21 Further amend the title and enacting clause accordingly.